



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

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June 8, 2005

Glen O'Connell, Treasurer  
South Carolina Republican Party  
1508 Lady Street  
Columbia, SC 29201

**Response Due Date:**  
**July 8, 2005**

Identification Number: C00034033

Reference: September Monthly Report (8/01/04-8/31/04)

Dear Mr. O'Connell:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Commission Regulations require that a committee disclose the identification of all individuals who contribute in excess of \$200 in a calendar year. (11 CFR §104.3(a)(4)(i)) Identification for an individual is defined as the full name, mailing address, occupation and name of employer. (11 CFR §100.12) Your report discloses contributions from individuals for which the identification is not complete.

You must provide the missing information, or if you are unable to do so, you must demonstrate that "best efforts" have been used to obtain the information. To establish "best efforts," you must provide the Commission with a detailed description of your procedures for requesting the information. Establishing "best efforts" is a three-fold process.

First, your original solicitation must include a clear and conspicuous request for the contributor information and must inform the contributor of the requirements of federal law for the reporting of such information. (11 CFR §104.7(b)(1))

Second, if the information is not provided, you must make one follow-up, stand alone effort to obtain this information, regardless of whether the

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contribution(s) was solicited or not. This effort must occur no later than 30 days after receipt of the contribution and may be in the form of a written request or an oral request documented in writing. (11 CFR § 104.7(b)(2))  
The request must:

- clearly ask for the missing information, without soliciting a contribution;
- inform the contributor of the requirements of federal law for the reporting of such information, and
- if the request is written, include a pre-addressed post card or return envelope.

Third, if you receive contributor information after the contribution(s) has been reported, you shall either a) file with your next regularly scheduled report, an amended memo Schedule A listing all the contributions for which additional information was received; or b) file on or before your next regularly scheduled reporting date, amendments to the report(s) originally disclosing the contribution(s). (11 CFR §104.7(b)(4))

Please provide the missing information or a detailed description of your procedures for requesting the information. For more information on demonstrating "best efforts," please refer to the Campaign Guide.

-The identification of each contributor, including an adequate occupation and name of employer for each, must be provided if the person has contributed in excess of \$200 in the aggregate during the calendar year. Please amend Schedule A supporting Line 11(a)(i) for each entry inadequately identified as "Self-Employed" for Employer with "Consultant" for Occupation.

-In memo text attached to this report, you state: "The disbursement to Cleta Mitchell [for legal fees] was paid on the split; the \$4455.57 represents the federal portion of her total bill of \$17,833.80."

Please be advised, all disbursements, contributions, and expenditures made wholly or in part in connection with Federal elections **must be made entirely from the Federal account**, and not from any non-Federal account. 11 CFR §§102.5(a)(1)(i), 300.30(b)(1) and (3)(iii) If your committee chooses to have one or more separate allocation accounts, which must be treated as Federal accounts for reporting purposes, all disbursements, contributions, and expenditures made wholly or in part in connection with Federal elections must be made entirely from this separate allocation account, and not from any non-Federal account. 11 CFR §§102.5(a)(1)(i)

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and (5), 300.30(b)(4) However, the non-Federal account is permitted to transfer its share of allocable expenditures to the Federal or separate allocation account pursuant to 11 CFR §106.7.

Note, these transfers for allocable expenditures must not exceed the non-Federal share of the allocable expenses and must be made within a 70-day time period: no more than 10 days before and no more than 60 days after the payments to the vendors are made from the Federal or allocation account. Exception: transfers may be made more than 10 days if advance payment is required by the vendor(s) and such payment is based on a reasonable estimate of the activity's final costs as determined by the committee and the vendor(s) involved. 11 CFR §106.7(f)(2)

Please clarify the procedures you are currently using to pay for allocable expenses. The Commission recommends that you take steps to correct any non-compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "insurance," "reimb. bsn lunch, **health insurance**," "reimb insurance," "reimb phone/**health insurance**," and "workmens comp insurance." Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-Schedule H4 of your report discloses \$427.79 in payments for "janitorial service" to individuals. Please clarify whether these individuals are employees of your committee. You are advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or activities in connection with a Federal election must not be allocated

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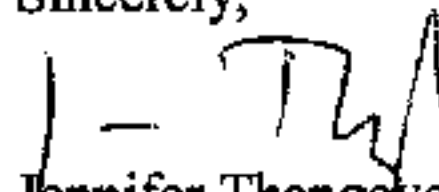
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between or among federal, non-federal and Levin accounts. Rather, only federal funds may be used. Any reimbursement from your committee's non-federal or Levin account for salary and wage payments is not permissible and must be returned. Please provide clarification regarding these payments.

**Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter.** Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1143.

Sincerely,



Jennifer Thangavelu  
Campaign Finance Analyst  
Reports Analysis Division

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